

Hobbies

How bills from 'broken banks' were taxed out of existence

By Roger Boye

Today's column answers more questions about coins, paper money and medals.

Q—Inside an old desk we found a torn \$5 bill dated 1855 from the Farmers and Merchants Bank of Chicago. What can you tell us about it?

K.D., Decatur

A—Thousands of commercial

banks issued their own paper currency between 1800 and 1865—money dubbed “broken bank notes” because so many of the banks went broke and their bills became worthless. Almost all such notes disappeared from circulation in the 1860s when the federal government printed its first legal-tender “greenbacks” under the U.S. Constitution and imposed a 10 percent tax on the

privately issued currency.

Today, many “broken bank notes” are prized collectibles, thanks in part to their often beautiful vignettes. But your bill is too worn to command much of a premium on the hobby market.

Q—Twenty years ago my husband purchased from the Franklin Mint a series of silver medals honoring the presidents. I've read

that such medals now have little value. Is that the case? What's their price potential? I've written to the Franklin Mint, but my letters apparently have been ignored.

N.G., Chicago

A—During the early 1970s, Franklin Mint medals were a collecting fad, but prices eventually dropped as the number of new issues mushroomed. No one knows what might catch the public's fancy in the next decade, but for today, most Franklin Mint medals are “out.” Your items are worth their “silver value” only.

Q—I found on the street a 1904 Indian-head cent that's concave, as perfectly as a contact lens. A coin dealer says the odd shape makes the coin worthless but a friend told me that vending machines of the 1930s cupped coins and the shape may add to the coin's value. What do you think?

R.S., Chicago

A—I vote with the dealer. Collectors shun coins that have been damaged or altered by pranksters fooling around in a machine

shop. By the way, vending machines apparently did not harm coins as your friend suggests.

Q—We received a two-headed penny in change, with both sides identical. The date is 1979. Is there any value?

J.D., Crystal Lake

A—The experts agree that it is impossible for the U.S. Mint to make an authentic two-headed or two-tailed coin. To quote from a book by error-coin expert Alan Herbert, “The shanks of the dies are made in different shapes so that they will not fit in the wrong die holder of the [coining] press...”

Q—Does a two-cent piece dated 1865 have any value? Why did the government make such an odd-denomination coin?

S.Y., Crete

A—Your item would retail for about \$5 if in “good condition.” Uncle Sam introduced the two-cent piece in 1864, in part to help relieve a severe shortage of hard money caused by the Civil War. But the coin proved unpopular and production was halted after just 10 years.